



U.S. Department  
Of Transportation

**Research and  
Special Programs  
Administration**

John A. Volpe  
National Transportation  
Systems Center



55 Broadway  
Kendall Square  
Cambridge Massachusetts 02142

November 18, 2002

Mr. Paul Peronard  
On-Scene Coordinator  
Environmental Protection Agency  
999 18<sup>th</sup> Street, Suite 500, 8EPR-ER  
Denver, CO 80202-2466

Subject: **Siefke Residence Steel Shed Appraisal**

Dear Mr. Peronard,

Enclosed please find two copies of the Final Appraisal for the Siefke Steel Shed. Please contact me if you would like assistance in the negotiations or if you require additional information in regards to the Steel Shed for the settlement between the Government and the Siefke's.

Please note the insulation appraisal was done as an amendment to the initial appraisal request. Therefore, the \$43,750.00 value of the complete building and content replacement is increased by \$806.00 for the insulation, totaling \$44,556.00.

We appreciate the opportunity to assist you in this and future Libby Asbestos Project efforts. Should you have any questions, please call me at (617) 494-3940.

Sincerely,

Paul G. Kudarauskas  
Environmental Protection Specialist

cc: File/Siefke

1941



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**ALPINE AUCTION AND APPRAISAL SERVICES, INC.**

*Professional Auctioneers, Appraisers, Liquidators.*

**CAI Auctioneer**

**GPPA**

160 Kelly Road

Kalispell, Mt. 59901

406-257-6832 \* 406-257-6834 Fx

[www.alpineauction.com](http://www.alpineauction.com)

10-23-02

Paul G. Kudarauskas  
55 Broadway, DTS-33  
Cambridge, MA 02142  
617-494-2789 fx  
617-494-3940

**RE: Personal Property Appraisal (Building)**

In accordance with your request, I have conducted an observation of the item(s) listed below. This appraisal began on 07-16-01, in Libby, Montana, and at that time, several days were spent inside the shop valuing the inventory. This appraisal is being conducted from the recall of that time along with photographs which are included with full details described in the following report.

The market approach was used to determine Fair Market Value, and Replacement Value. Fair Market Value and Replacement Value were used for comparison. Market approach is when recent sales and offering prices of similar assets are analyzed to arrive at an indication of the most profitable selling price of the asset being appraised. It is based on the premise that the asset is continuing to be used and that a knowledgeable purchaser can go to the market place and buy an existing one for cash or cash equivalent.

Values herein established are derived from private treaties, public forums such as auction sales, and internet. The Market approach was used in setting values on items appraised.

I certify, to the best of my knowledge and belief:

1. The statements of fact contained in this report are true and correct.
2. The reported analysis, opinions, and conclusions are limited only to be the reported assumptions and limiting conditions, and are my personal, unbiased professional analysis, opinions and conclusions.
3. Alpine Auction Services, Inc., is in the auction business and their only interest in this property would be to offer services as auctioneers on a commission basis on any items the above wished to sell.

4. My compensation is not contingent upon the reporting of a predetermined value or directions in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.
5. My analysis, opinions, and conclusions were developed, and this report has been prepared in conformity with the Uniform Standards of Professional Appraisal Practice.
6. I have made a personal inspection of the property, unless so noted, that is the subject of this report.
7. No one, provided significant professional assistance in valuing all the items in this report.

Thank you, for the opportunity to serve you.



Charles D. Lapp - Certified Appraiser  
Alpine Auction and Appraisal Services, Inc  
10-23-02

The purpose of this appraisal was to establish Fair Market Value and Replacement Value of this asset(s).

The following valuations are made in accordance with the attached Appraisal Definitions, and Appraisal Limiting Conditions.

#### **LIMITING CONDITIONS**

I certify that all the information in this report is true and correct to the best of my knowledge.

All opinions stated are presented as the appraiser's considered opinion based on the facts and data sent forth in this report. The appraiser assumes no responsibility for the change in market conditions or for the inability of the owner to locate a purchaser at appraised value.

The fee for this appraisal is not in any way contingent upon the values reported.

No responsibility is assumed for information furnished by others and believed to be reliable. Authenticity is assumed, but not guaranteed. Measurements and weights are approximate.

I have personally viewed the items in this report, unless otherwise noted. The

items in this written report are the only items that has been appraised.

The appraiser, by reason of this appraisal, shall not be required to give testimony as an expert witness in any legal hearing, or before any court of law unless justly compensated for such services.

### **CHARLES LAPP'S QUALIFICATIONS**

Owner/Manager of Alpine Auction/Appraisal Services, Inc.

Since 1988, I have been engaged in the appraisal and sales of residential contents, estates, businesses, and other types of property.

Graduate of the Graduate Personal Property Appraisal Course offered by the Auction Marketing Institute of Overland Park, Kansas, and operates in compliance with the rules and guidelines set forth by the Uniform Standards of Professional Appraisal Practice.

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### **FAIR MARKET VALUE**

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at which the item or a comparable item would be sold at retail.

### **NEW REPLACEMENT COST VALUE**

The appraiser's professional opinion of the dollar amount it would cost to purchase a new or used asset of the like quality and specifications. When such an asset is unavailable in the marketplace, and no other comparable or substitute items is available, the appraiser has used his/her best judgement on a cost approach basis in estimating a value as of the date of this appraisal.

### **SHOP**

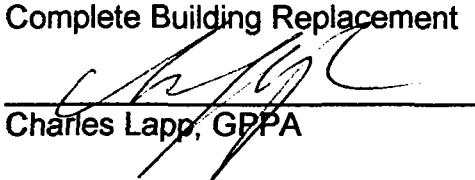
The shop building is an all steel structure. It is common of pre-fabricated, mail order buildings. The dimensions are approx. 35'x50' with sliding, full height and width door on the south end. This type of building usually has minimal insulation and this particular structure has various types of wall sheeting on the inside, and had a wood stove for heating purposes. The amenities are the subject of individual reports included in this full report.

Past experience shows that buildings of this nature or type would have a salvage value of approx. \$2,500.00

Materials for the structure and insulation only, can be mail ordered and vary in price from \$4-6 per sq. ft., making the material value for the structure alone at approx. \$9,000.00.

Our research indicates that a building of this nature, complete with concrete, building materials including loft, electrical, sheeting, and benches, would cost approx. \$25 per sq. ft., for a total of \$43,750.00 to replace this building.

Fair Market Value	\$2,500.00
Complete Building Replacement	\$43,750.00

  
\_\_\_\_\_  
Charles Lapp, GPPA

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10-23-02

Paul G. Kudarauskas  
55 Broadway, DTS-33  
Cambridge, MA 02142  
617-494-2789 fx  
617-494-3940

RE: Personal Property Appraisal (Loft)

In accordance with your request, I have conducted an observation of the item(s) listed below. This appraisal began on 07-16-01, in Libby, Montana, and at that time, several days were spent inside the shop valuing the inventory. This appraisal is being conducted from the recall of that time along with photographs which are included with full details described in the following report.

The market approach was used to determine Fair Market Value, and Replacement Value. Fair Market Value and Replacement Value were used for comparison. Market approach is when recent sales and offering prices of similar assets are analyzed to arrive at an indication of the most profitable selling price of the asset being appraised. It is based on the premise that the asset is continuing to be used and that a knowledgeable purchaser can go to the market place and buy an existing one for cash or cash equivalent.

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Thank you, for the opportunity to serve you.



Charles D. Lapp - Certified Appraiser  
Alpine Auction and Appraisal Services, Inc  
10-23-02

The purpose of this appraisal was to establish Fair Market Value and Replacement Value of this asset(s).

The following valuations are made in accordance with the attached Appraisal Definitions, and Appraisal Limiting Conditions.

#### **LIMITING CONDITIONS**

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#### **NEW REPLACEMENT COST VALUE**

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#### **LOFT AREA**

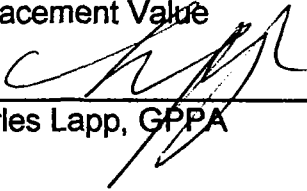
The loft area contained some salvagable materials however, the labor involved in removing such material without destroying it, would be very difficult. Therefore, Fair Market Value is minimal.

Fair Market Value	\$200.00
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#### **REPLACEMENT VALUE**

Complete replacement of the loft would be \$2,500.00 for materials, plus \$1,000.00 for labor.

Replacement Value	\$3,500.00
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Charles Lapp, GPPA

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11-10-02

Paul G. Kudarauskas  
55 Broadway, DTS-33  
Cambridge, MA 02142  
617-494-2789 fx  
617-494-3940

**RE: Personal Property Appraisal (Insulation)**

In accordance with your request, I have conducted an observation of the item(s) listed below. This appraisal began on 07-16-01, in Libby, Montana, and at that time, several days were spent inside the shop valuing the inventory. This appraisal is being conducted from the recall of that time along with photographs which are included with full details described in the following report.

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Thank you, for the opportunity to serve you.



Charles D. Lapp - Certified Appraiser  
Alpine Auction and Appraisal Services, Inc  
11-10-02

The purpose of this appraisal was to establish Fair Market Value and Replacement Value of this asset(s).

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#### **LIMITING CONDITIONS**

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### **NEW REPLACEMENT COST VALUE**

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### **INSULATION**

The insulation in this building is estimated to have been one and one half inches thick of fiberglass batting. This is very typical of buildings of this type. There is very little salvage value when removing insulation due to damage incurred during the removal process as well as labor costs for removing such material.

Fair Market Value	\$100.00
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The cost of material replacement for one and one half inch fiberglass batting figuring 3100 sq. ft @ .26 cents per sq. ft. equals	\$806.00
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Another option is rigid board styrofoam, which costs .40 cents per sq. ft., however, the labor costs for installing it would offset the extra costs of the material. The R-value is almost doubled.

Installation costs could not be defined without a specific bid on the project.

Material Replacement Value	\$806.00
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\_\_\_\_\_  
Charles Lapp, GPFA

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10-23-02

Paul G. Kudarauskas  
55 Broadway, DTS-33  
Cambridge, MA 02142  
617-494-2789 fx  
617-494-3940

RE: Personal Property Appraisal (shelves/benches)

In accordance with your request, I have conducted an observation of the item(s) listed below. This appraisal began on 07-16-01, in Libby, Montana, and at that time, several days were spent inside the shop valuing the inventory. This appraisal is being conducted from the recall of that time along with photographs which are included with full details described in the following report.

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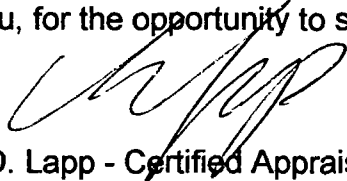
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Thank you, for the opportunity to serve you.



Charles D. Lapp - Certified Appraiser  
Alpine Auction and Appraisal Services, Inc  
10-23-02

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### **INVENTORY LISTING**

Work Benches and Shelving in shop were typical of handyman ingenuity. There were two sections of old metal and wooden kitchen cabinets that can be obtained from common household yard or garage sales.

Fair Market Value for shelves and benches	\$150.00
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Research has indicated that replacement of these items with new cabinets and building new shelves and benches, including time and new materials	\$1,500.00
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\_\_\_\_\_  
Charles Lapp, GPFA

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RE: Personal Property Appraisal (Electrical)

In accordance with your request, I have conducted an observation of the item(s) listed below. This appraisal began on 07-16-01, in Libby, Montana, and at that time, several days were spent inside the shop valuing the inventory. This appraisal is being conducted from the recall of that time along with photographs which are included with full details described in the following report.

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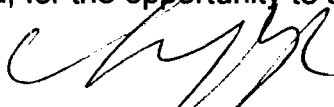
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3. Alpine Auction Services, Inc., is in the auction business and their only interest in this property would be to offer services as auctioneers on a commission basis on any items the above wished to sell.

4. My compensation is not contingent upon the reporting of a predetermined value or directions in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.
5. My analysis, opinions, and conclusions were developed, and this report has been prepared in conformity with the Uniform Standards of Professional Appraisal Practice.
6. I have made a personal inspection of the property, unless so noted, that is the subject of this report.
7. No one, provided significant professional assistance in valuing all the items in this report.

Thank you, for the opportunity to serve you.



Charles D. Lapp - Certified Appraiser  
Alpine Auction and Appraisal Services, Inc  
10-23-02

The purpose of this appraisal was to establish Fair Market Value and Replacement Value of this asset(s).

The following valuations are made in accordance with the attached Appraisal Definitions, and Appraisal Limiting Conditions.

#### **LIMITING CONDITIONS**

I certify that all the information in this report is true and correct to the best of my knowledge.

All opinions stated are presented as the appraiser's considered opinion based on the facts and data sent forth in this report. The appraiser assumes no responsibility for the change in market conditions or for the inability of the owner to locate a purchaser at appraised value.

The fee for this appraisal is not in any way contingent upon the values reported.

No responsibility is assumed for information furnished by others and believed to be reliable. Authenticity is assumed, but not guaranteed. Measurements and weights are approximate.

I have personally viewed the items in this report, unless otherwise noted. The

items in this written report are the only items that has been appraised.

The appraiser, by reason of this appraisal, shall not be required to give testimony as an expert witness in any legal hearing, or before any court of law unless justly compensated for such services.

### **CHARLES LAPP'S QUALIFICATIONS**

Owner/Manager of Alpine Auction/Appraisal Services, Inc.

Since 1988, I have been engaged in the appraisal and sales of residential contents, estates, businesses, and other types of property.

Graduate of the Graduate Personal Property Appraisal Course offered by the Auction Marketing Institute of Overland Park, Kansas, and operates in compliance with the rules and guidelines set forth by the Uniform Standards of Professional Appraisal Practice.

May of 1998, until January of 2000, conducted real estate evaluations and limited appraisals for Glacier Bank, of Kaispell.

Have strategic alliances with multiple banking and legal institutions in Flathead and Lake Counties, conducting appraisals for estate, probate, business, insurance, and family dissolutions.

Since Spring of 2000, until present, conducted public appraisal fairs in Flathead County.

Attending continuing education courses through the Auction Marketing Institute, and the National Auctioneers Association each year.

2001 - Conducted appraisals for KUO Environmental, for asbestos abatement in Libby, Mt.

### **FAIR MARKET VALUE**

Fair Market Value is the price that property would sell for on the open market. It is the price that would be agreed on between a willing buyer and a willing seller, with neither being required to act, and both having reasonable knowledge of the relevant facts.

(Treasury Regulation 20.2031-2 (b)): The Fair Market Value is the price at which the property would change hands between a willing buyer and willing seller, neither being under any compulsion to buy or sell, and both having reasonable knowledge of relevant facts. The Fair Market Value of a particular item of property included in the decedant's gross estate is not to be determined by a forced sales price. Nor is the Fair Market Value of an item of property to be determined by the sale price of an item in a market other than that in which such item is most commonly sold to the public, taking into account location of the item wherever appropriate. Thus, in the case of an item of property included in the decedant's gross estate, which is generally obtained by the public in the retail market, the Fair Market Value of such an item of property is the price

at which the item or a comparable item would be sold at retail.

### **NEW REPLACEMENT COST VALUE**

The appraiser's professional opinion of the dollar amount it would cost to purchase a new or used asset of the like quality and specifications. When such an asset is unavailable in the marketplace, and no other comparable or substitute items is available, the appraiser has used his/her best judgement on a cost approach basis in estimating a value as of the date of this appraisal.

### **INVENTORY LISTING**

The electrical wiring, including switches, plug-ins, and lights, was substandard. The downstairs workroom as well as the workroom in the loft were the only two rooms that had any continuity whatsoever. There was 220v capabilities in the shop that were used for welding purposes. Also, the large cooler was run from electricity in the shop. Fair Market Value of the wiring is minimal due to the amount of work and damage that would be done in order to remove it.

Fair Market Value w/components \$100.00

Although the wiring was done haphazardly, in order to replace it with new components by a licensed electrician it is estimated the cost would be considerable.

Replacement Value w/components \$1,800.00

  
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Charles Lapp, GPPA